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Organizational matters

Report of the first regular session 2013 (28 January to 1 February 2013, New York)

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Annex: Draft report of the joint meeting of the Executive Boards of UNDP/UNFPA/UNOPS, UNICEF, UN-Women and WFP

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I. Organizational matters

1. The first regular session 2013 of the Executive Board of UNDP, UNFPA and UNOPS was held at United Nations Headquarters, New York, from 28 January to 1 February 2013. The President of the Board welcomed all delegations and thanked the outgoing President and Vice-Presidents for their leadership and commitment to the work of the Board in 2012. He congratulated the new members of the Bureau on their election.

2. In accordance with rule 7 of the rules of procedure of the Executive Board, the Board elected the following members of the Bureau for 2013:

President:	H.E. Mr. Roble Olhaye	(Djibouti)
Vice-President:	Mr. Andy Rachmianto	(Indonesia)
Vice-President:	Mr. Eduardo Porretti	(Argentina)
Vice-President:	Mr. Boyan Belev	(Bulgaria)
Vice-President:	Ms. Merete Dyrud	(Norway)

3. The Executive Board approved the agenda and workplan for its first regular session 2013 (DP/2013/L.1) and approved the report of the second regular session 2012 (DP/2013/1). The Board adopted the annual workplan for 2013 (DP/2013/CRP.1) and approved the tentative workplan for the annual session 2013.

4. Decisions adopted by the Executive Board in 2012 appear in document DP/2013/2, which was available on the Executive Board at http://www.undp.org/execbrd.

5. The Executive Board agreed in decision 2013/10 to the following schedule for future sessions of the Executive Board in 2013:

Annual session 2013	3 to 14 June 2013 (New York)
Second regular session 2013:	9 to 13 September 2013

UNDP segment

II. Statement by the Administrator and gender in UNDP

6. In her opening statement to the Executive Board, the Administrator thanked the outgoing President and Vice-Presidents for their support throughout 2012 and congratulated the newly elected President and Vice-Presidents for 2013. She also welcomed the new Executive Secretary of the United Nations Capital Development Fund (UNCDF).

7. The session was webcast live, and the Administrator, highlighting UNDP work in communications, showed a UNDP short film on energy poverty in Nepal. She presented the second edition of *The Development Advocate*, showcasing twelve green-themed stories from the annual storytelling competition. On a similar note, she informed delegations that the Board session was the first to use the green, cost-saving online services of PaperSmart.

8. The Administrator highlighted that 2013 was an important year for UNDP. The organization was working with Board members in developing the next UNDP strategic plan, 2014-2017, building into it guidance from General Assembly resolution 67/226 on the quadrennial comprehensive policy review (QCPR). UNDP was fully engaged with Member States in discussions on the post-2015 Millennium Development Goals (MDGs) agenda as well as follow-up to the United Nations Conference on Sustainable Development of 2012 (post-

Rio+20). In addition to its normal work, the organization continued to respond to new, often unforeseen challenges at country level.

9. The Administrator pointed out that UNDP had adopted a different approach in developing the new strategic plan, defining and building its services by first analysing external realities underlying development conditions, and then determining UNDP strengths and weaknesses against them. That approach had allowed UNDP to strengthen its capacities in areas where it had a comparative advantage. The strategic plan's new proposed structure, switching from a 'practice' to 'issues' focus, likewise reflected its adaptive capacity. She stressed that sustainable development and poverty reduction remained at the heart of the UNDP mandate, and underscored the vital importance of steady, predicable core resources necessary to fulfil that mandate. To achieve those goals, UNDP was working to improve talent management, align budget/reporting systems, and deliver effectively in a restrained funding environment.

10. She drew attention to UNDP progress in: programming arrangements; joint work with UNICEF, UNFPA and UN-Women in developing the integrated budget, 2014-2017, and the related issue of cost recovery; accountability and transparency; and leadership in strengthening the coherence and coordination of the United Nations development system. On the outcome of the two evaluation reports (and management response) on the UNDP contribution to poverty reduction (DP/2013/3) and its support to conflict-affected countries in the context of United Nations peace operations (DP/2013/5), UNDP always welcomed scrutiny of its operations and results, and sought to learn from and exchange views. She reiterated the commitment of UNDP to transparency and accountability, drawing attention to the unqualified audit opinion UNDP received by the United Nations Board of Auditors for 2010-2011.

11. Board members appreciated the work UNDP was doing, and expected it continue to play a central role in leading the United Nations development system and in driving the development agenda forward. They were clear that the quadrennial review must form the basis of the new UNDP strategic plan and its mandate, in line with the QCPR resolution, was foremost poverty eradication and, to that end, building national capacity. They urged UNDP to focus its efforts on the neediest, especially in least development countries. They highlighted the primacy of national ownership and the priorities of gender equality and South-South cooperation.

12. On the strategic plan, Board members supported the UNDP joint approach with UNFPA, UNICEF and UN-Women on the integrated budget and the harmonized cost recovery rate. They supported UNDP efforts to redefine parameters to ensure greater balance and funding to programme countries. Board members also agreed that UNDP should undertake direct budget support and pooled funding within the parameters of its strategic plan and limits of its own expertise. The Board sought information on the UNDP approach to assessing the full range of risks associated with direct budget support and pooled funding, including monitoring actions. It also sought information on related evaluations and audits. (*See chapter IV for complete coverage of the two evaluations.*) They commended UNDP for its high scoring in the recent Multilateral Organization Performance Assessment Network (MOPAN) review, which had ranked UNDP as an institution with a strong independent evaluation office.

13. The Administrator, thanking delegations, spoke to the issues of cost recovery and the integrated budget, noting that UNDP was working to become more responsive and flexible in covering its costs. She took note of Board insistence that UNDP must focus on poverty eradication. On the evaluation of the UNDP contribution to poverty reduction, she emphasized that policies which had the greatest impact on poverty were not necessarily the most narrowly pro-poor. The UNDP management response to the evaluation maintained the validity and relevance of the UNDP broad-based, multidimensional approach to poverty reduction. Despite its strong evaluation ranking by MOPAN, UNDP continued to address gaps. UNDP also sought to expand and engage in innovative partnerships. She thanked delegations promising additional

funding to core resources, noting those specifically for South-South cooperation, and took note of delegations insistence on mainstreaming gender equality. The Administrator closed by thanking Board members for their continued confidence in UNDP as a partner of choice.

Gender in UNDP

14. The Associate Administrator, UNDP, presented the oral report of the Administrator on the implementation of the UNDP gender equality strategy, 2008-2013, including the report on the midterm review of the UNDP gender equality strategy.

15. Delegations commended UNDP for mainstreaming gender equality in its programmes and thematic areas, and encouraged it to operationalize gender mainstreaming in the next strategic plan and promote gender dimensions in the post-2015 development agenda. They were pleased with the work of the Gender Steering and Implementation Committee in strengthening corporate accountability for gender equality and parity results. UNDP should strengthen the UNDP Gender Team and share experiences with other United Nations organizations. They stressed the importance of implementing the United Nations system-wide action plan on gender equality and the empowerment of women to ensure greater coherence and accountability. They requested examples of achievements and challenges in gender equality in future reporting, and information on gender marker data. They were concerned by the lack of gender parity in UNDP middle/senior management, and requested information on gender training of resident coordinators and resident representatives.

16. The Associate Administrator, UNDP, assured delegations that UNDP would fully gender the new strategic plan, and align the new gender equality strategy. She highlighted that UNDP was working to achieve greater gender equality and parity within UNDP by adopting the system-wide action plan and gender-sensitive training. UNDP would continue to report annually on gender equality and parity, and share experiences with other United Nations organizations.

17. The Executive Board adopted decision 2013/1: Oral report of the Administrator on the implementation of the UNDP gender equality strategy.

III. Country programmes and related matters

18. The Associate Administrator, UNDP, introduced the following 12 country programmes documents: Cameroon, Democratic Republic of the Congo, Equatorial Guinea, Liberia and South Africa from the Africa region; Myanmar and Nepal from the Asia and the Pacific region; Libya, Sudan and the United Arab Emirates from the Arab States region; and Haiti and Nicaragua from Latin America and the Caribbean region. The Assistant Administrator, Regional Bureau for Africa, presented the draft country programme document for Eritrea (DP/DCP/ERI/2).

19. In accordance with decision 2006/36, the following 12 country programmes, which were discussed at the second regular session 2012, were approved by the Executive Board on a no-objection basis, without presentation or discussion: Cameroon, Democratic Republic of the Congo, Equatorial Guinea, Liberia and South Africa from the Africa region; Myanmar and Nepal from the Asia and the Pacific region; Libya, Sudan and the United Arab Emirates from the Arab States region; and Haiti and Nicaragua from Latin America and the Caribbean region.

20. In accordance with decision 2012/22, the Executive Board reviewed and approved the country programme document for Eritrea on an exceptional basis. The Executive Board also approved the common country programme for Pakistan, as well as the sub-regional programme for the Pacific Island Countries and Territories.

IV. Evaluation

21. The Associate Administrator, UNDP, introduced the item. The Director, Evaluation Office, UNDP, presented the evaluation of the UNDP contribution to poverty reduction (DP/2013/3) and the evaluation of UNDP support to conflict-affected countries in the context of United Nations peace operations (DP/2013/5). The Assistant Administrator, Bureau for Development Policy, UNDP, presented the management response to the evaluation of the UNDP contribution to poverty reduction (DP/2013/4), and the Assistant Administrator, Bureau for Crisis Prevention and Recovery, UNDP, presented the management response to the evaluation of UNDP support to conflict-affected countries in the context of United Nations peace operations (DP/2013/6).

22 Delegations welcomed the timeliness of both evaluations, and found them useful to spur dialogue, extract lessons and refocus priorities. They urged UNDP to ensure the recommendations be reflected in the strategic plan, and maximize its benefits for lessons learned. They commended UNDP for its high scoring in the Multilateral Organization Performance Assessment Network (MOPAN) review, which ranked UNDP as an institution with a strong independent evaluation office, with well-established practices for ensuring the quality of evaluations. They also commended UNDP for its evaluation function, which they would continue to support. They recommended that UNDP continue to work closely with national stakeholders and a wider pool of United Nations organizations, and play close attention to gender equality in future evaluations.

23. On UNDP contribution to poverty reduction, delegations commended the Evaluation Office for an excellent report and for choosing to focus on poverty reduction. They noted that the evaluation reaffirmed the comparative advantage of UNDP in poverty reduction, especially as analytical leader in advocating for the MDGs and in developing the human development reports and poverty reduction strategy papers. They reiterated that the organization's contribution to poverty reduction would continue to benefit from a gender equality perspective.

24. On the targeted versus holistic debate, the evaluation confirmed that the UNDP comparative strength was its multidimensional, integrated approach to poverty reduction. They supported pro-poor bias as a guiding principle when prioritizing UNDP work. The UNDP approach to poverty reduction should continue to be tailored to differing needs of poor populations and viewed through thematic perspectives. UNDP should continue to capitalize on its upstream policy advice and capacity building strengths, and work to ensure interventions have impact at the implementation level.

25. On UNDP support to conflict-affected countries, delegations were pleased with the outcome of the evaluation and the management response. They expressed full support for UNDP interventions in relief to development, using its ability to integrate sustainable development approaches in post-conflict countries. They were pleased with UNDP work in advocating for the role of women in post-conflict settings, and welcomed UNDP focus on recruiting expertise and strengthening staff capacity to respond to and work in conflict settings. UNDP could do more in conflict settings to improve results-based management and strengthen links between operations and policy. They suggested stronger collaboration with international financial institutions.

26. On coordination in conflict settings, delegations stressed the need to improve cooperation with the United Nations Department of Peacekeeping Operations (DPKO), the Department of Political Affairs (DPA) as well as with multilateral institutions. Delegations requested information on UNDP cooperation with non-United Nations actors, and urged UNDP to work with United Nations partners to ensure a clear division of labour.

27. The Assistant Administrator, Bureau for Development Policy, UNDP, said UNDP fully welcomed the evaluations and would ensure each recommendation was addressed and implemented. Their comments would inform the next strategic plan, 2014-2107, and make UNDP

a stronger, more accountable partner. Poverty reduction would remain at the heart of the UNDP mandate, and UNDP would sharpen its pro-poor focus and strive for stronger links between poverty reduction and other areas of its work. Its pro-poor approach would continue to address gender equality and the feminization of poverty. While prioritizing immediate needs of recipient populations, UNDP sought to address root causes of crises and development problems, so that they did not recur. He underscored that the comparative strength of UNDP was precisely its multidimensional, holistic approach to poverty reduction.

28. The Assistant Administrator, Bureau for Crisis Prevention and Recovery, UNDP, noted that UNDP collaborated with partners to ensure clear division of labour and mutual respect, and to develop better conflict analysis and assessment tools. UNDP engaged with other United Nations organizations in conflict settings, and was co-chair of the International Network on Conflict and Fragility, a prime locus for working strategically in conflict-affected countries. He stressed the great strides made in the level of collaboration with DPKO and DPA, and noted that the global focal point mechanism, endorsed by the Secretary-General, greatly enhanced United Nations work in mission settings, enabling it to draw on expertise to meet country demands. UNDP focused on areas where it had a comparative advantage, engaged Board members on the crisis-poverty nexus, and seized opportunities to collaborate globally with non-United Nations actors.

29. The Associate Administrator, UNDP, added that UNDP aimed to incorporate a multidimensional approach to pro-poor bias in the strategic plan, a position supported by programme countries. It was committed to linking upstream and downstream activities, and applied standard criteria for choosing downstream projects: scalability, replicability, and ability to inform policy. Most UNDP outcomes were upstream, and evaluations had credited UNDP upstream outcomes as the most successful. UNDP management was keen to build stronger partnerships, and collaborate closer with United Nations and non-United Nations organizations.

30. The Director, Evaluation Office, UNDP, thanked delegations and UNDP management for constructive discussions. The two evaluations were the first to include a management response, and ensured a more transparent, comprehensive picture which helped to depict complex topics. On methodology, future evaluations would include a discussion of risk and gender, and specify the time period under evaluation. Because an evaluation was always a 'snapshot', it was critical to capture the dynamics of the organization, which the Evaluation Office sought to do through a regular process of engagement and debate, especially with the Board. The Evaluation Office stood ready to provide independent, critical evaluations, and fully appreciated the space the Board and UNDP allotted it to fulfil its function.

31. The Executive Board adopted decision 2013/2: (a) Evaluation of the UNDP contribution to poverty reduction, and the management response; and (b) Evaluation of UNDP support to conflict-affected countries in the context of United Nations peace operations, and the management response.

V. Financial, budgetary and administrative matters

32. The Associate Administrator, UNDP, introduced the item and the Assistant Administrator, Bureau for Development Policy, UNDP, presented the review of the UNDP engagement in direct budget support and pooled funds (DP/2013/7).

33. Delegations welcomed the review's findings, and noted the success with which UNDP had engaged in direct budget support. The review provided sufficient justification for UNDP to continue that type of engagement, as it offered a more responsive, flexible strategic scope of action, enhancing UNDP relevance and effectiveness in policy advice and capacity development. They encouraged UNDP to step up its participation in pooled funding, an area where the organization could thrive and allow it to build partnerships and joint programmes more effectively.

34. Delegations cautioned UNDP to undertake direct budget support within the parameters of its strategic plan and the limits of its expertise. They requested information on fiduciary risks, which were not adequately addressed in the review, and the type of risk assessment UNDP undertook. They sought clarification on the long-term vision for direct budget support, and the processes followed when deciding (or not) to use direct budget support (assessing risks and complying with International Public Sector Accounting Standards), stressing efficiency and transparency. They requested information on the modality's impact on policy dialogue and development effectiveness, and encouraged UNDP to refine its guidance and regulations for direct budget support.

35. Several delegations from programme countries expressed strong support for direct budget support, which improved and made transparent the flow of official development assistance, and fostered MDG achievement, and adherence to aid effectiveness. They strongly supported the pooled funding modality, evaluations having demonstrated that it produced positive results for budget absorption, coordination and resource mobilization. UNDP should consider: raising the resource ceiling once national institutions demonstrated capacity to manage; revisit UNDP management, accounting and auditing modalities to ensure compatibility with national systems; and advocate for system-wide use of direct budget support and pooled funds through the United Nations Development Group.

36. The Assistant Administrator, Bureau for Development Policy, UNDP, agreed that UNDP engagement in direct budget support and pooled funding was exceptional, and should not develop into a tool for interventions. UNDP would revert to them when they facilitated assistance to programme countries, especially for cost effectiveness and reduced fragmentation. UNDP engaged in direct budget support in areas specified in the strategic plan, 2014-2017, assessing risks prior to interventions, to measure public financial and management capacity. In certain circumstances, UNDP was unable to participate in discussions on major development issues at country level without the option of using direct budget support, which was why UNDP had made the request to Board in 2008. In cases where conditions were not met, UNDP had been selective in choosing countries in which to use direct budget support.

37. UNDP only engaged in direct budget support and pooled funding through joint ventures, with programme and donor countries providing funds. The UNDP role was to provide technical support in a secure, cooperative environment without overstretching its mandate. UNDP stood ready to refine direct budget support and pooled funding guidelines and regulations, especially on risk assessment, once the Board agreed. UNDP was not recommending to raise the resource ceiling, which the Board had established and which UNDP considered a sufficient resource management tool. UNDP would continue to rely on country-level monitoring and reporting to undertake impact analyses.

38. The Executive Board adopted decision 2013/3: Review of UNDP engagement in direct budget support and pooled funding.

VI. Programming arrangements

39. The Deputy Assistant Administrator, Bureau of Development Policy, UNDP, presented the informal note on programming arrangements.

40. Delegations commended UNDP and supported the financial and operational requirements to maintain UNDP global presence and capacity to support programme countries, especially least developed and middle-income countries. They supported the policy of adapting country-level programming to the individual conditions of each programme country. Concerned that modifications to criteria for programme arrangements could change previous agreements and

negatively impact some countries, UNDP was encouraged to continue to provide resources and address national development priorities.

41. Delegations appreciated UNDP concern about its readiness and capacity to respond to emerging development situations. However, they questioned the value of setting up a separate contingency fund and requested clarification on criteria used to determine which countries/situations could benefit or not, particularly given the proposed percentage allocation. They encouraged UNDP to build on experiences of United Nations organizations that had set up a contingency fund. Given the trend of decreasing, fragmented core resources, UNDP could use funding allocated to contingency funds in other programming arrangements lines.

42. Delegations appreciated UNDP work to develop an integrated budget with other United Nations organizations, noted as a milestone in strengthening results oversight. Adjustments to programming arrangements were seen as a step forward in developing the integrated budget and ensuring UNDP focus on poverty eradication and sustainable development. Delegations viewed the adjustments as a way to offset the trend of falling core resources and consequently as an attempt to increase UNDP impact in programme countries.

43. The Assistant Administrator, Bureau of Management, UNDP, assured the Board that UNDP had adopted a balanced approach, focusing on results and balancing various funding sources and UNDP capacity to be present. On the contingency fund, UNDP was keen to include an additional fund within its toolbox to maintain a results focus. While it was difficult to prepare for unforeseen events, possessing the right tools to respond was crucial, and ensured UNDP could seize positive development opportunities. UNDP sought the creation of a limited fund with a ceiling, in addition to current UNDP funding, which would make UNDP a more flexible organization, and better able to respond.

44. The Deputy Assistant Administrator, Bureau of Management, UNDP, drew attention to international recognition of contingency funds. UNDP could not modify its programming documents and attached funds to adapt to emerging situations, which required immediate, strategic response. UNDP had already proposed a ceiling to use contingency funds, to which delegations would provide their comments. The proposed contingency fund did not deal with crises that arise under the target for resource assignment from the core (TRAC)-3 modality. Nothing in the proposals for the contingency fund or UNDP physical presence strayed from decision 2012/28 on TRAC-1, neither in terms of TRAC-1 percentages nor the agreed purpose of TRAC-1. Physical presence was already part of discussions on TRAC-1 and a complement to changes to TRAC-1 agreed in decision 2012/28.

45. The Executive Board adopted decision 2013/4: UNDP programming arrangements.

UNFPA segment

Opening remarks by the President of the Executive Board

46. The President of the Executive Board welcomed delegations to the UNFPA segment. Underscoring that 2013 was a crucial year for development, he drew attention to the challenges in meeting sustainable development commitments and targets while ensuring a balance with the environment. He noted that the visionary Cairo agenda that emerged from the 1994 International Conference on Population and Development (ICPD) provided a blueprint for addressing the questions confronting the international community as it advanced towards the 2015 target date for the Millennium Development Goals (MDGs) and sought to shape the post-2015 development agenda.

47. The President highlighted the importance of the ICPD beyond 2014 review and noted that without sufficiently addressing the crucial issue of poverty eradication, the centrality of human beings in the development process -- human rights, human dignity and a decent quality of life -- would be lost. The President emphasized that UNFPA had a unique role to play in assisting countries in attaining these objectives and it was the responsibility of the Executive Board to support the organization, including through political and financial support, legislative guidance and strategic advice. He commended the UNFPA Executive Director for his effective leadership in guiding UNFPA in a highly challenging economic environment.

Statement by the Executive Director

48. At the outset, the Executive Director offered the sincere sympathy and condolences of UNFPA to the Government and the people of Brazil on the tragic accident and loss of life that had taken place recently in Santa Maria, Brazil. The Executive Director went on to congratulate the Executive Board President and members of the Bureau on their election. He thanked the outgoing President and outgoing Bureau members for their excellent leadership.

49. In his statement (available at http://www.unfpa.org/public/home/exbrd/pid/12129), the Executive Director updated the Executive Board on the progress achieved in implementing the initiatives he had described to the Board at the last session. He focused on the ICPD beyond 2014 review; the post-2015 development agenda; the quadrennial comprehensive policy review of the operational activities for development of the United Nations system (QCPR); the UNFPA strategic plan, 2014-2017; the integrated budget, 2014-2017, including cost recovery; evaluation; the reproductive health, population dynamics and development interlinkages; family planning, including the follow-up to the London Summit, and the UNFPA family planning strategy; the Campaign for the Accelerated Reduction of Maternal Mortality in Africa (CARMMA), including the recent African Union Summit where heads of State and Government had made new commitments to reduce maternal death and disability in Africa; the UNFPA adolescent and youth strategy; ageing; humanitarian response; staff security; and operational excellence. The Executive Director informed the Board about the healthy funding situation of UNFPA, noting that in 2012 the overall revenue of UNFPA grew by 7.9 per cent compared to 2011. Underscoring the priority that UNFPA accorded to accountability and transparency, the Executive Director elaborated on the adoption of the International Public Sector Accounting Standards (IPSAS); the focus on the International Aid Transparency Initiative; and the follow-up to the recommendations of the United Nations Board of Auditors. He was pleased to note the unmodified audit opinion issued by the Board of Auditors for the 2010-2011 biennium.

50. The Executive Director welcomed the newly appointed Director, Technical Division; the Director, West and Central Africa Regional Office; the Director, Arab States Regional Office; and the Chief, Executive Board and External Relations Branch. He assured the Executive Board that in 2013 UNFPA would focus on generating stronger results in its core areas. Furthermore, the Fund would sharpen its strategic planning and would be more accountable and more responsive to the needs of women, mothers and young people.

51. Delegations noted their support for the work of UNFPA in the core areas of sexual and reproductive health and reproductive rights; gender equality; and population and development. They appreciated the work undertaken by UNFPA to respond to the development aspirations of developing countries. In drawing attention to the urgent need to address the issue of maternal mortality, delegations commended the CARMMA initiative. They also commended UNFPA work in addressing the challenges faced by young people. One delegation emphasized that population and health concerns were directly related to human security and noted the work of UNFPA in tackling human security-related projects for the protection of women's rights. It was noted that the unmet need for family planning could only be met through the collective commitment of all stakeholders. The Executive Director's chairmanship of the Family Planning

2020 Reference Group was welcomed. UNFPA work on ageing was commended. One delegation noted that it relied on the continued collaboration of UNFPA with UN-Women, the Member States and other stakeholders to ensure strong support for reproductive rights during future negotiations such as the upcoming Commission on the Status of Women. Furthermore, UNFPA was commended for its humanitarian efforts to support some of the most vulnerable populations displaced by ongoing crises in the Syrian Arab Republic, the Horn of Africa and the Sahel.

52. Underscoring the vital importance of General Assembly resolution 67/226 (pertaining to QCPR), delegations emphasized that the resolution must be implemented in full (not selectively) by the funds and programmes. Delegations stressed that the new UNFPA strategic plan, 2014-2017, and the integrated budget should be guided and informed by the QCPR resolution. They commended the Executive Director for the inclusive nature of consultations undertaken in developing the new strategic plan, 2014-2017.

53. Some delegations noted that a strengthened and fully independent evaluation capacity was essential for all stakeholders to have confidence in the quality and impact of UNFPA work. An independent evaluation capacity would require, inter alia, a clear delineation of the respective roles and responsibilities between evaluations and programmes. The candour and quality of the thematic evaluation of UNFPA support to maternal health was appreciated. UNFPA senior management was commended for demonstrating openness and delegations stated that they looked forward to a dialogue on how the recommendations of the report would be used to improve the delivery of results, particularly to meet the maternal health needs of the most vulnerable.

54. The African States, members of the Executive Board, while noting their support for the revision of the UNFPA evaluation policy, underscored that the allocation of resources for evaluation should not adversely affect the resources available for programming activities.

55. The Executive Director thanked the delegations for their comments and guidance, including with regard to the thematic evaluation of UNFPA support to maternal health, 2000-2011, and the evolving revised UNFPA evaluation policy. He assured the Executive Board that UNFPA was committed to an evaluation policy that would guarantee the independence of the evaluation function within UNFPA. Furthermore, UNFPA was also committed to ensuring an open and transparent consultative process with the Board in revising the evaluation policy and would take forward the guidance provided by the Board. Concerning the thematic evaluation of UNFPA support to maternal health, he clarified that the evaluation covered a 10-year period, 2000-2010, with the report being written in 2011. Noting that the Maternal Health Thematic Fund had only been in existence since 2008, he stressed that in the period 2011 to date the focus of UNFPA maternal health support had changed a great deal with a strengthened emphasis on addressing in-country needs and country office requirements. Furthermore, during the past year UNFPA had established a cluster approach to sharpen and enhance its maternal health support. He reiterated that what had been achieved with 51 African countries at the recent African Union summit was testimony of UNFPA commitment to maternal health.

56. The Executive Director appreciated the various comments provided by Executive Board members regarding the cost-recovery issue and noted that UNFPA along with the concerned sister organizations would await Board guidance. He looked forward to future discussion on the UNFPA integrated budget and the UNFPA strategic plan, 2014-2017. Responding to a query regarding the global and regional programme audit, he noted that the report and the management response would become available in due course. Regarding staffing in the Humanitarian Response Branch, he assured the Board that human resource issues were taken seriously by UNFPA and were being addressed to ensure fit-for-purpose staffing. He noted that UNFPA was collaborating with UN-Women on the upcoming Commission on the Status of Women. He

thanked the Board members for the support provided for the ICPD beyond 2014 review and noted that it would inform UNFPA work beyond 2014 as well as contribute to the post-2015 development agenda. Regarding the presence of UNFPA in middle-income countries (MICs), he noted that UNFPA would continue to be guided by the Executive Board and the United Nations system. He recognized that UNFPA had a role in MICs and would continue to engage on population issues and other areas in the UNFPA mandate. He thanked all delegations for their support and guidance.

VII. Evaluation

57. The Chief, Evaluation Branch, UNFPA, introduced the thematic evaluation of UNFPA support to maternal health, 2000-2011. The Deputy Executive Director (Programme) provided the management response. The Executive Director introduced the draft revised UNFPA evaluation policy.

58. Several delegations appreciated that the thematic evaluation of UNFPA support to maternal health was being discussed at the Executive Board. Emphasizing the evaluation's significance, they stated that the findings showed that UNFPA had played an important role in maternal health in many countries in guiding important policy changes and in coordination. While recognizing the steps already taken by UNFPA to address the issues identified, delegations added that additional work was required, including in key areas such as staff capacity, planning and monitoring. Underscoring the crucial importance of the evaluation function in improving the delivery of results, delegations noted that the evaluation findings would contribute to the development of the new UNFPA strategic plan. Delegations emphasized the need to ensure a strong linkage between the key mandate and strategic priorities of UNFPA and the evaluation function. They noted that in the future the management response should be published well in advance of the Executive Board session to allow for an informed discussion on follow-up and implementation.

59. Several delegations encouraged UNFPA to stay focused on its core area of sexual and reproductive health and to strengthen its role as the technical expert, dialogue partner and policy advocate in that area. Observing that maternal health was a complex area to work in, one delegation noted that there was no magic bullet to solve the problems and a multisectoral approach was required. Delegations also drew attention to: ensuring maternal health support was based on local needs and country-specific strategies; addressing the falling birth rates in certain countries; and having partnerships "in" as well as "outside" the reproductive health arena. Delegations welcomed the UNFPA proposal to provide a progress report to the Executive Board.

60. Acknowledging the significant efforts of UNFPA had undertaken in developing the draft revised evaluation policy, several delegations pointed out that the evaluation function was of crucial importance to improving the delivery of development results on the ground and for fostering institutional learning. They commended UNFPA for taking into account the requests of Executive Board members, inter alia, in decision 2012/26; and for having consulted other funds and programmes in drafting the revised evaluation policy. In particular, delegations welcomed the proposed creation of an independent evaluation office; a clear distinction between the evaluation function and other functions such as monitoring and audit; adequate and separate funding for the evaluation function; and clearer alignment with the United Nations Evaluation Group (UNEG) norms and standards. Delegations encouraged UNFPA to take the following elements into consideration in further developing the draft revised evaluation policy: (a) clearly defining the roles and responsibilities of different actors and distinguishing core evaluation tasks from evaluation-related tasks; (b) addressing issues related to monitoring follow-up to management responses, training and knowledge management; (c) addressing the evaluability of programmes and a strong results-oriented monitoring system; (d) presenting an annual

evaluation plan formally to the Executive Board together with the annual report of the evaluation function; and (e) clearly indicating how the role of the Executive Board could be strengthened with regard to the evaluation function, including a direct reporting line between the evaluation office and the Board.

61. Noting that an evaluation culture was an essential part of an organization's results-based management system, one delegation stated that it was essential for UNFPA to adopt an evaluation policy that would inculcate an evaluation culture. The delegation called on UNFPA to include in the revised evaluation policy, the options considered for the institutional set-up. The delegation noted that it would be useful to clarify the changes from the earlier 2009 evaluation policy and to indicate how the changes were intended to address the issues raised in the review undertaken by the Office of Internal Oversight Services (OIOS).

62. The Executive Director thanked the Executive Board members for the comments on the thematic evaluation on support to maternal health, 2000-2011, and noted that it was a vindication of the process that UNFPA had started in 2011 (following the midterm review of the strategic plan) leading to the building of a new strategic plan that focused on maternal health and young people. He stated that one area of frustration encountered in medicine, including in his 41 years of experience as a medical doctor, was the area of maternal mortality. He underscored that it was important to recognize that the causes of maternal mortality were rooted in poverty, lack of transportation, lack of timely decision-making, as well as various cultural dimensions. He assured the Board that UNFPA would continue to work and advocate for addressing the challenges and saving the lives of women and young girls. He reminded the Board that MDG 5B had only come into effect globally in 2007 and the international community's commitment had not been backed with financial resources. It was only during the last couple of years that resources were being directed to family planning. He emphasized that UNFPA was committed to supporting Member States and other partners, including H4+ and civil society, in reaching the last mile in addressing maternal mortality so that women would not die giving birth.

63. The Executive Director thanked the Executive Board members for the support and guidance provided for the revision of the UNFPA evaluation policy. He noted that the numerous informal consultations and interactions with Board members had been very useful. He assured the Board that he stood as the champion of evaluation in UNFPA and would ensure that Board concerns were clearly addressed, including regarding the independence of the evaluation function; the delineation of roles and responsibilities; and linkages with UNEG norms and standards. He noted that the latest draft of the revised UNFPA evaluation policy reflected improvements resulting from Board guidance, consultations with sister organizations, and extensive internal consultations. He stated that UNFPA was also committed to making the terms of reference of evaluations and the evaluation reports publicly available. He added that he was optimistic that UNFPA would meet the timing stipulated by the Board for presenting the revised evaluation policy for approval by the Executive Board at the annual session 2013.

64. The Deputy Executive Director (Programme) thanked the delegations for their comments and guidance. She observed that while achievement of MDG 5 was lagging behind the targets it sets, between 2000 and 2011 and since, notable gains in reducing maternal mortality and improving maternal health had been made in many countries. She concurred with delegations that in confronting the challenges it would be critical to identify and use the levers that could bring about transformational change. She underscored that it was important to utilize partnerships and methodologies to leverage change that was scaled to the problem rather than scaled to the resources. While noting that improving methodologies was important, she pointed out that it was difficult to undertake multi-year programme planning without having multi-year financial commitments. She assured the Executive Board that UNFPA would provide

documentation in a timely way and would also report on the progress in implementing the recommendations of the thematic evaluation.

65. The Executive Board adopted decision 2013/5: Thematic evaluation of UNFPA support to maternal health, 2000-2011, and the management response. Following the adoption of the decision, in a joint statement, several delegations noted that in decision 2013/5 the most appropriate choice would have been to keep the language used by the independent evaluation and not substitute agreed language that did not have the same meaning in that context.

VIII. Country programmes and related matters

66. The Deputy Executive Director (Programme) provided an introductory overview. The Director, East and Southern Africa Regional Office, introduced the draft country programme for Eritrea (DP/FPA/DCP/ERI/4).

67. Pursuant to decision 2006/36, the following eight country programmes and one common country programme, which were discussed earlier, at the second regular session 2012, were approved by the Executive Board on a no-objection basis, without presentation or discussion: Cameroon, Democratic Republic of the Congo, Equatorial Guinea, Liberia and South Africa from the Africa region; the Sudan from the Arab States region; Pakistan (common country programme) from the Asia and the Pacific region; and Haiti and Nicaragua from the Latin America and the Caribbean region.

68. Pursuant to decision 2012/22, the Executive Board reviewed and approved, on an exceptional basis, the draft country programme document for Eritrea.

69. The delegations of the Democratic Republic of the Congo, Eritrea, Liberia and Pakistan thanked the Executive Board for the approval of their country programmes and expressed appreciation for the partnership with UNFPA and the support provided.

70. The UNFPA Deputy Executive Director (Programme) thanked the Executive Board for the approval of the country programmes and also thanked the Member States for appreciating UNFPA support and partnership.

71. The Executive Board adopted decision 2013/6, in which it decided to review and approve, on an exceptional basis, the UNDP and UNFPA draft country programme documents for Egypt at the annual session 2013 of the Executive Board.

Joint segment

IX. Recommendations of the Board of Auditors

72. The UNFPA Deputy Executive Director (Management) introduced the UNFPA report on the follow-up to the report of the United Nations Board of Auditors for 2010-2011: status of implementation of the recommendations (DP/FPA/2013/1). The UNDP Associate Administrator introduced the UNDP report on the implementation of the recommendations of the Board of Auditors, 2010-2011 (DP/2013/8). The UNOPS Deputy Executive Director introduced the UNOPS report on the implementation of the recommendations of the Board of Auditors, 2010-2011 (DP/OPS/2013/1).

73. Numerous delegations expressed appreciation for the unmodified audit opinion issued to UNFPA, UNDP and UNOPS by the United Nations Board of Auditors (BOA) for the biennium 2010-2011. They commended the reduction in the number of audit recommendations and progress made in implementing BOA recommendations for previous periods. They commended the three organizations for improvements made in their financial management, particularly implementation of International Public Sector Accounting Standards (IPSAS) and clean-up of outstanding account balances. Delegations emphasized the need for additional efforts to ensure compliance with regulations for procurement, asset and inventory management; and underscored the importance of monitoring and oversight of country offices.

74. Turning to UNFPA, delegations noted that the report of the BOA confirmed that UNFPA had made a commendable effort to improve the weaknesses previously identified with regard to national execution. Delegations were pleased to note that UNFPA received an unmodified audit opinion from the BOA. They appreciated the efforts of the Executive Director to address systemic issues and commended him for taking a personal interest in driving through changes that enabled the necessary improvement. In particular, they commended him for chairing the audit monitoring committee. They commended UNFPA for its action on fraud and appreciated that the number of cases of fraud had decreased sharply, as a result of more strict internal control. They requested additional information on how the fraud cases had been followed up in the annual report of the internal auditor for 2012. They asked to see further progress on the long-standing audit recommendations to ensure that all were acted upon. Delegations asked UNFPA to intensify its effort to fill vacancies more swiftly and to ensure a more efficient recruitment process. Regarding the utilization of unspent balances from trust funds they stated that UNFPA should continue to obtain written permission from donors before transferring balances to a general fund in accordance with the respective donor agreements. They noted with approval that UNFPA had adopted revised procurement policies and procedures which were essential for transparency and accountability. They urged UNFPA to keep these processes under review to ensure continuing compliance across all business units, including the Procurement Services Branch and regional and country offices.

75. Delegations congratulated UNDP for obtaining an unqualified Board of Auditors opinion. They supported BOA recommendations and implementation plans UNDP had put in place, and noted progress made in implementing the top audit-related priorities. They urged UNDP to pursue 100 per cent implementation of its top nine priorities, and requested a completion rate for recommendations by issue. They looked forward to future status updates on implementation and improvement in project management at the country level. Delegations appreciated the marked decrease in fraud cases and asked UNDP to ensure affected Member States were kept fully informed of progress where donor funds were involved. Noting that the net loss remained at the same level as the previous biennium, UNDP should continue to enhance monitoring and provide more detailed accounts of efforts and information on how UNDP had followed up on fraud cases in its report on internal audit and investigations (DP/2012/13/rev.1). Delegations

welcomed UNDP efforts to improve accountability, transparency and efficiency in procurement through policies on micro-purchasing, delegation of authority, and vendor protest procedures. Noting that procurement was a high value, high-risk area, they sought clarification on implementation measures.

76. Several delegations encouraged UNDP, in cooperation with UNFPA and the other members of the United Nations Development Group, to renew commitment and take actions to ensure the common guidelines for the harmonized approach to cash transfers (HACT) were used systematically, and revised if needed.

77. The Associate Administrator, UNDP, emphasized that improving programming was one of the top nine priorities. On procurement, UNDP was in the process of assessing country office procurement capacities before giving delegation of authority, and would develop a capacity-building strategy in procurement for country offices below par, an approach that would apply equally to fraud. UNDP had the capacity to investigate fraud allegations about vendors, and already established a Vendor Review Committee for delisting vendors, along with a vendors' appeal mechanism. On HACT, pointing to a recent audit outcome, she noted that revising HACT tools and improving the system were priorities for the organizations involved.

78. The Assistant Administrator, Bureau of Management, UNDP, noted on micro-purchasing that UNDP sought to ensure that purchasing staff obtained procurement certification in line with international standards. The new vendor review system had not yet processed appeals, which would go through an inter-agency process. Given the complexity of fraud cases and recovery of funds, UNDP focused on investigating allegations and improving procurement training to ensure highest professional standards. UNDP sought to recover lost funds, a challenging task since those responsible were often unable to reimburse, and legal procedures were onerous. On programme design, UNDP was strengthening staff results-based management capacities and enhancing programming tools, and would look into developing a scorecard to track programme completion rates.

79. The Deputy Executive Director (Management), UNFPA, thanked the Executive Board members for their comments. Concerning internal controls and risk management in country offices, she noted the ongoing joint work on application of HACT and the considerable efforts undertaken by the comptrollers to address the issues and move forward. She underscored that cost savings could be achieved through joint audits by the agencies. She also referred to the unit set up in Somalia for joint risk assessment and mitigation, which UNFPA had joined recently. She noted that UNFPA had recently updated its internal control framework (ICF); and an external company had been used for quality assurance of the ICF. Furthermore, the UNFPA Executive Committee had accelerated a key change project around strategic information systems to enable pinpointing of any ICF weaknesses in the country offices. Concerning the comment about obtaining written permission to address unspent donor funds, she assured the Board that it was indeed the process that UNFPA followed. She requested donors to help speed up the process, as in some cases it took a very long time to obtain a response to the letters sent to the concerned donors. Regarding procurement, she referred to the extensive review of UNFPA procurement practices undertaken by the United Kingdom Department for International Development (DFID) and the review's favourable outcome. The review by the European Commission had also yielded positive results. She noted that, like UNDP, UNFPA was using international standards and certification of UNFPA procurement staff. UNFPA procurement staff would be granted access to the procurement modules only after obtaining certification. Regarding the request for additional information on fraud cases, she noted that UNFPA had already committed to providing it in the annual internal audit report. On the issue of filling vacancies and recruitment processes, she noted that considerable progress had been achieved. Also, the e-recruitment module enabled the identification of bottlenecks, which could then be addressed speedily. In 2012, the vacancy rate had been reduced from 16.4 per cent to 14.8 per

cent and UNFPA was committed to further lowering the rate. She underscored that, in accordance with the business plan, recruitment and talent management were at the top of the UNFPA agenda in 2013.

80. The Deputy Executive Director, UNOPS, highlighted that in 2008 UNOPS had introduced the vendor appeals mechanism, Independent Bid Protest System, and had mixed experience; it expected to cover more cases, and had taken the system out of the procurement domain to avoid conflict of interest. The General Counsel reviewed the cases submitted and gave full feedback to the parties concerned. UNOPS was determining whether to post cases on the Internet site for transparency and to publicize to vendors. He noted that UNOPS threshold for micro-purchasing was $2,500, which fit UNOPS requirements, and underwent a periodic review.

81. The Executive Board adopted decision 2013/7: Reports of UNDP, UNFPA and UNOPS on the implementation of the recommendations of the Board of Auditors, 2010-2011.

X. Report to the Economic and Social Council

82. On behalf of UNDP, UNFPA and UNOPS, the Associate Administrator, UNDP, introduced the joint report of the Administrator of UNDP and the Executive Directors of UNFPA and UNOPS to the Economic and Social Council (E/2013/5).

83. Delegations welcomed the report and indicated that maximizing its value and streamlining procedures to produce higher quality reports was desirable. They highlighted the importance of monitoring and reporting implementation of General Assembly resolution 67/226 on the quadrennial comprehensive policy review (QCPR). They noted that reporting on QCPR should be clear, analytical and informative, and required a more systematic, structured, comprehensive and transparent approach lacking in the joint report (E/2013/5). The report provided a vague picture of overall implementation of the triennial comprehensive policy review (TCPR), focusing on activities implemented instead of results achieved. Delegations would have welcomed information on where UNDP and UNFPA had been unable to fulfil their TCPR mandates and remaining challenges. They recognized that the report's broad scope posed challenges to in-depth qualitative analysis and they supported efforts to explore ways to improve and streamline reporting to the Council, in accordance with the current reform process and existing reporting guidelines.

84. One delegation, referring to the report of the Secretary-General on the QCPR (A/67/93), noted the call for an overarching strategy for system-wide repositioning of United Nations development organizations with the aim of aligning their functioning with the changing development environment. Meeting that challenge required each organization to focus on strengthening core competencies and building capacities. The new strategic plans offered an opportunity to take the first steps toward answering the call of the Secretary-General. It was stressed that QCPR follow-up had to be an integral part of the organizations' operational activities, a key element in the implementation of their strategic plans, and a priority at the highest levels of management. One delegation underscored the importance of seeking innovative approaches to addressing issues in middle-income countries and commended UNFPA work in that regard.

85. The Assistant Administrator, Bureau for External Relations and Advocacy, UNDP, stated that the organizations agreed to do more to capture results, building on specific, targeted data. UNDP, UNFPA and UNOPS could envisage revisiting the design and purpose of the report to make it more useful. The QCPR proposed different reporting options to ensure collective input of United Nations organizations, especially for results achieved at country level. Fully capturing those results would help to improve operational activities. UNDP stood ready to work with its sister organizations to improve the report.

86. The Executive Director, UNOPS, indicated that UNOPS stood ready to revisit the design and purpose of the report to the Council. He noted that UNOPS had followed a standard routine for preparing the report, but was prepared to work with UNDP and UNFPA to produce a more in-depth report.

87. The Deputy Executive Director (Management), UNFPA, noted that with the adoption of "Delivering as One" as a possible business model, the organizations needed Executive Board assurance that they were being asked to "report as one" and not separately in separate reports. Clearly, UNFPA was committed to enshrining the directions of the QCPR in its next strategic plan and would report annually to the Board, individually as an organization, on progress in implementation. Regarding the collective efforts of the United Nations system, the organizations were firmly committed to developing a joint action plan for QCPR implementation – a rigorous action plan with time-bound benchmarks and milestones for delivering on the QCPR. The organizations wished to report collectively on that and at the right time, which would probably be at the Economic and Social Council. In that regard, the guidance and advice of the Board was needed and informal consultations could be held to further the conversation.

88. The Executive Board adopted decision 2013/8: Report of the Administrator of UNDP and of the Executive Directors of UNFPA and UNOPS to the Economic and Social Council.

XI. Financial, budgetary and administrative matters

89. The Assistant Administrator, Bureau of Management, UNDP, on behalf of the organizations, introduced the road map to an integrated budget: joint review of the impact of cost definitions and classifications of activities on the harmonized cost-recovery rates (DP-FPA/2013/1-E/ICEF/2013/8).

90. Delegations commended UNDP, UNFPA, UNICEF and UN-Women for collaborating in designing the joint review analysis and proposal for the revised cost recovery framework. For several delegations, key was setting up a results-oriented budgeting and resourcing framework, to align the integrated budget with the strategic plans and the accompanying results frameworks. They requested a mock-up integrated budget, clearly demonstrating how resources were linked to results in the results frameworks of the organizations' strategic plans.

91. Several delegations stated their strong support for the guiding principle of full cost recovery, proportionally from core and non-core resources, as mandated by General Assembly resolution 67/226 on the quadrennial comprehensive policy review (QCPR). They emphasized there should be full compliance with the QCPR. They were pleased that the proposed framework would lead to reduced cross-subsidization from core to non-core, which meant that more core resources could be dedicated to programme activities, a key incentive for core resource contributors. They noted that the proposed framework represented an important step toward greater proportionality of administrative burden-sharing between core and non-core, and greater transparency and cost-efficiency. They expected UNDP, UNFPA, UNICEF and UN-Women to implement changes within and between organizations and keep the Board informed.

92. On the proposed rate for indirect cost-recovery, several delegations felt a higher base rate for cost recovery at 9 per cent was warranted, given discounts for less restrictive earmarked non-core funding and programme country contributions. In light of the Economic and Social Council decision expected later in the year, on United Nations coordination burden-sharing, delegations requested information on whether the organizations expected to include comparable costs in future cost-recovery calculations. Delegations welcomed the differentiated rates proposal to incentivize less restrictive earmarking and programme country contributions. They stated that differentiated rates needed to be harmonized across organizations to promote

collaboration and avoid competition. They supported the proposed transitional arrangements for the new methodology's implementation, which while accommodating current practices and calculation methods, would move in the direction of improved attribution of costs, full recovery and proportionality. One delegation inquired about the amount of resources from cost recovery to be directed to programming.

93. While affirming that improving systems of risk management was a top priority, delegations indicated that it went beyond the discussion on the integrated budget and cost recovery. They asked the organizations for an inclusive, structured, cross-system approach on how to address risk management. Board members stressed the importance of monitoring and reporting in the new methodology and framework to allow the respective Executive Boards to make adjustments and collectively learn from challenges and benefits.

94. The Assistant Administrator, Bureau of Management, UNDP, in addressing the balance between full cost recovery and declining cross-subsidization from core to non-core resources, clarified that proposed incentives dealt with soft earmarking and duration and volume of grant money. Managing such funds incurred less costs to the organizations than managing individual earmarked contributions. If UNDP could have fewer but larger cost-sharing agreements, the related costs would be lower. He proposed agreeing on 9 per cent as a fair cost recovery rate, balancing the position of donors against progress needed to reach full cost recovery. That agreement should be followed up with a midterm review to determine if cost recovery incentives worked and reduced costs.

95. The Deputy Assistant Administrator, Bureau of Management, UNDP, in addressing the recommendation of adopting a 9 per cent cost recovery rate, noted that the concerned organizations had undertaken extensive, complex analyses to reach the proposed 8 per cent rate. The provision of discounts was accompanied by a reduction in costs, whether for thematic or large volume funds. In light of extensive analysis, it was important to continue with the rate of 8 per cent, followed by a midterm review to track lessons in implementing the new cost recovery policy and determine whether to review the rates again. He highlighted the need to set up transitional measures as part of the move to the integrated budget.

96. The Deputy Executive Director (Management), UNFPA, in responding to the comment on common risk-management approaches, noted that the agencies had been using the High-level Committee on Management (HLCM) as a forum to look at common risk-management approaches across the system to achieve improved risk management.

97. The Director, Division for Management Services, UNFPA, thanked the Executive Board members for their guidance and intense engagement in the exercise, which had been driven by the QCPR. The teams of the organizations had collaborated closely and worked diligently to provide the data requested by the Board. He concurred with the comment that South-South cooperation was critical and noted that the cost-recovery proposal included a 5 per cent rate to provide incentive for South-South cooperation (the same rate as for government cost sharing). He assured the Board that UNFPA was committed to results-based budgeting and in the next budget clearer linkages would be evident between resources and results. He agreed about the importance of transparency and noted that table 3 in the document reflected it. He underscored the commitment of the organizations to coordination within the United Nations system and noted that it was also reflected in paragraph 28 of the document. He confirmed that country-level pooled funding would be taken into account. He stated that the entire United Nations system was waiting for the outcome of the cost-recovery discussions in the Executive Boards of the funds and programmes and the goal would be to ensure harmonization of the methodology and the rates through the Finance and Budget Network and HLCM. He concurred that transitional arrangements would be important. Based on the Executive Board's decision, the cost-recovery rates would be put into effect commencing in January 2014, and as existing donor

agreements expired the new rates would be applied going forward. Responding to a query, he noted that the institutional budget was credited with indirect cost recovery thereby making those funds available for programming and disclosure in a transparent manner.

98. The Executive Board adopted decision 2013/9: Road map towards an integrated budget, beginning 2014, and update on cost recovery.

UNOPS segment

XII. Statement by the Executive Director

99. The Executive Director, UNOPS, welcomed the new President and Vice-Presidents of the Executive Board and looked forward to working closely with them throughout 2013, in particular on the new UNOPS strategic plan, 2014-2017.

100. He reviewed UNOPS work in 2012 and plans for 2013, and stated that in 2012 UNOPS had experienced an increase of its work in least developed countries and conflict and natural disaster affected countries. In country, UNOPS worked closely with United Nations country teams, and sought to use local personnel and supplies, working with local authorities to build national capacity. UNOPS sought to build partnerships with United Nations and non-United Nations organizations, whether non-profit or profit.

101. Turning to finances, the move to Public Sector Accounting Standards (IPSAS) had had a negative impact on UNOPS delivery and revenue figures in 2012, although less than expected. Total delivery under IPSAS for 2012 was close to $960 million, although when compared to previous monitoring and performance under United Nations System Accounting Standards (UNSAS), delivery was in the range of $1.07 billion. In terms of new business, UNOPS figures were strong, with $1.35 billion in new projects, or 10 per cent above target – a clear sign of continued high demand for UNOPS services.

102. As a self-financing organization, UNOPS was keen to strengthen its performance through strong financial management. In 2012, in response to priorities identified in the mid-term review of the strategic plan, 2010-2013, UNOPS had designed and was implementing a programme to reduce $6 million in costs in old structures, while reinvesting $4 million in new priorities, with a net savings of $2 million. To meet those goals, UNOPS had strengthened its procurement and project management delivery services and set up a sustainable infrastructure delivery practice.

103. Looking to 2013 and the UNOPS strategic plan, 2014-2017, UNOPS was on track, eager to embrace change, become more focused, efficient and transparent, and accountable to stakeholders for results. UNOPS was keen to live up to the sustainability challenge, balancing social, economic and environmental concerns. At the Rio+20 conference, UNOPS had launched a new policy for sustainable infrastructure and was in the process of developing a sustainability screening tool. He highlighted UNOPS progress on the transparency front in 2011 and 2012.

104. In the sole intervention, one delegation commended UNOPS for its cost effective business model and ability to adapt to client needs. It stressed the importance of addressing climate change, especially its impact on climate-sensitive countries and small-island developing states, where it represented a security risk.

105. The Executive Director, UNOPS, thanked the delegation for its intervention and looked forward to working with all Board members in shaping UNOPS strategy for the future.

XIII. Other matters

United Nations Capital Development Fund

106. The Associate Administrator, UNDP, welcomed the new Executive Secretary of the United Nations Capital Development Fund (UNCDF) to his first Board session.

107. Board members congratulated the Executive Secretary, UNCDF, on his appointment and looked forward to furthering the mandate of UNCDF in least developed countries. They were pleased with the fund's recent strong growth, and supported its focus on financial inclusion and local economic development. They commended the fund's track record to focus with success on smaller, more risky investments, which other partners replicated and scaled up. They noted that its unique mandate to provide grants, loans and guarantees to subnational and private sector entities well positioned UNCDF to deliver on the post-2015 agenda. On resource mobilization, delegations encouraged UNCDF to pursue innovative solutions/partnerships with the private sector and international financial institutions, combined with stronger core resources founded on good cost recovery. The Board welcomed the inclusion of UNCDF in the UNDP strategic plan, 2014-2016, and asked how the UNCDF cost classification line, figuring in UNDP programming arrangements, was connected with intensified collaboration between UNCDF and UNDP.

108. The Executive Secretary, UNCDF, assured Board members that UNCDF would continue to work closely with United Nations organizations to achieve poverty reduction. On cost recovery with private sector partners, UNCDF saw scope for improvement through possible higher rates of cost recovery. UNCDF inclusion in the UNDP programming arrangements was part of its broader inclusion in the new strategic plan, 2014-2016, which was coherent with the larger agenda agreed on by the Board. The inclusion allowed UNCDF to work more closely with UNDP in least developed countries, without the need to transfer funds between their respective accounts.

109. The Board took note of the presentation on the 2012 preliminary results and the status of the Stakeholder Consultations on the future of the United Nations Capital Development Fund.

United Nations DP/2013/10

Executive Board of the United Nations Development Programme, the United Nations Population Fund and the United Nations Office for Project Services

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Organizational matters

Decisions adopted by the Executive Board at its first regular session 2013

(28 January to 1 February 2013, New York)

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2013/1

Oral report of the Administrator on the implementation of the UNDP gender equality strategy

The Executive Board

1. *Takes note of* the oral report on the implementation of the UNDP gender equality strategy, 2008-2013;

2. *Recognizes* the importance of gender equality in achieving sustained and inclusive economic growth, poverty eradication and sustainable development, as reflected in General Assembly resolution 67/226 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system;

3. *Takes note of* the efforts of UNDP in achieving concrete gender-equality development and institutional results in 2012;

4. *Takes note of* the progress UNDP has made to systematically integrate gender dimensions in the country programme documents submitted to the Executive Board, and encourages UNDP to continue to do this;

5. *Urges* UNDP to continue to allocate a level of expenditure appropriate to the importance of gender equality, and reiterates its request to UNDP to strengthen its capacity for gender mainstreaming, within the context of its programming and the overall agenda for organizational change;

6. *Requests* UNDP to ensure the mainstreaming of gender-equality perspectives in the preparation of the UNDP strategic plan, 2014-2017, taking fully into account the findings of the midterm review of the implementation of the current gender equality strategy;

7. *Requests* UNDP to update the Executive Board at its annual session 2013 on the steps and timeline for the preparation of the next gender equality strategy, and looks forward to the presentation of that strategy at the first regular session 2014, together with a report on the implementation of the gender equality strategy in 2013;

8. *Takes note of* the partnership of UNDP with the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) and urges UNDP to continue to work closely with UN-Women to advance gender equality on the basis of complementary and synergetic relationships;

9. *Appreciates* the commitment of UNDP to addressing gender parity for staff at all levels of the organization; requests UNDP to further improve gender parity at mid-to-senior levels; and further requests UNDP to take steps to ensure the representation, at all staff levels, of women from programme countries, at headquarters, regional and country levels, keeping in mind the principle of equitable geographical representation, in the framework of the forthcoming UNDP report on the gender parity strategy;

10. *Commends* UNDP on the work of the Gender Steering and Implementation Committee in strongly encouraging senior management on gender equality and requests the Committee to be vigilant in holding senior managers accountable for achieving results in gender equality;

11. *Requests* UNDP to include, in its future annual reports on the implementation of its gender equality strategy, the actions it has taken to implement the United Nations System-Wide Action Plan on Gender Equality and the Empowerment of Women.

1 February 2013

2013/2
Evaluation (UNDP)

(a) Evaluation of the UNDP contribution to poverty reduction, and the management response;

(b) Evaluation of UNDP support to conflict-affected countries in the context of United Nations peace operations, and the management response

The Executive Board

With regard to the evaluation of the UNDP contribution to poverty reduction (DP/2013/3), and the management response thereto (DP/2013/4):

1. *Takes note* of the evaluation of the UNDP contribution to poverty reduction and the management response thereto;

2. *Takes note of* the findings and the conclusions of the evaluation of the UNDP contribution to poverty reduction, and requests UNDP to take them fully into account when preparing its next strategic plan, global programme and regional programmes, and to ensure that poverty eradication is a central component of that process;

3. *Urges* UNDP to implement the recommendations of the evaluation report when planning its programmes and projects and to report to the Executive Board, at its second regular session 2016, on the steps taken in this regard;

4. *Reaffirms* that eradicating poverty is the greatest global challenge facing the world today;

5. *Acknowledges* the efforts undertaken by UNDP to address the multidimensional challenges of poverty in a sustainable manner by adopting enabling strategies that impact the social determinants of poverty;

6. *Urges* UNDP to strengthen its pro-poor focus and work with relevant stakeholders at the country level, in order to better contribute to achieving the Millennium Development Goals, to national efforts for poverty reduction, and to reducing rising inequalities;

7. *Requests* that UNDP prioritize its contributions to capacity development and policy advice, based on the principles of national ownership and sustainability;

8. *Emphasizes* the need for UNDP to strengthen its country-level capacities, as well as incentives to learn from its activities, and encourages, upon request of the national government and as appropriate, that the lessons are included in national policy and programme development;

9. *Encourages* UNDP to develop a clear and robust results framework that demonstrates complete results chains that establish results at the output, outcome and impact levels, with a view to better assessing the UNDP contribution to poverty reduction;

10. *Encourages* UNDP to strengthen its efforts to create more effective integration of its focus areas for poverty reduction at the country level and stronger partnership with other United Nations organizations, in order to support poverty eradication in all its dimensions;

With regard to the evaluation of UNDP support to conflict-affected countries in the context of United Nations peace operations (DP/2013/5), and the management response thereto (DP/2013/6):

11. *Takes note of* the evaluation of UNDP support to conflict-affected countries in the context of United Nations peace operations and the management response thereto;

12. *Takes note of* the conclusions and findings of the evaluation of UNDP support to conflict-affected countries in the context of United Nations peace operations, and, in this regard, urges UNDP to implement the recommendations of the evaluation report when planning its programmes and projects;

13. *Welcomes* UNDP efforts to establish an early alert and action system, as well as promote the appropriate use of conflict analysis, recognizing that these are critical steps for UNDP to better leverage its presence on the ground into quick and effective action;

14. *Welcomes* the planned efforts of UNDP and humanitarian partner organizations to establish a common definition of early recovery and a common set of guiding principles on the scope and funding mechanisms for early recovery activities in the immediate aftermath of conflict, such as consolidated appeals;

15. *Urges* UNDP to follow through on its stated intention to strengthen collaboration with other United Nations organizations involved in integrated United Nations peace operations, especially the United Nations Department of Political Affairs and the United Nations Department of Peacekeeping Operations, to enhance coordination and, in particular, to better prepare for the transition period, commencing with the drawdown of peacekeeping missions;

16. *Recognizes* that there are difficulties in attracting and retaining female staff in conflict-affected countries, and urges UNDP to take action to improve the gender balance of its workforce in these settings and to continue its broader efforts to improve the capacity of country teams to achieve results;

17. *Encourages* UNDP to ensure that all nationally and directly implemented programmes and projects carried out in conflict-affected countries clearly outline their objectives aimed at national capacity-building, in line with a well-planned exit strategy.

1 February 2013

2013/3
Review of UNDP engagement in direct budget support and pooled funding

The Executive Board

1. *Takes note of* document DP/2013/7 on the review of UNDP engagement in direct budget support and pooled funding;

2. *Recognizes* that the primary value-added contribution of UNDP lies in supporting national capacity and policy development;

3. *Agrees* to maintain the changes in the rules and regulations, as contained in document DP/2008/36, for a subsequent pilot period, 2013 to 2014, in order to continue to provide country offices with the needed flexibility in a direct budget-support environment, and for UNDP to gain different experiences from this work, recognizing that these rules and regulations may be further refined, with a view to strengthening transparency and accountability in the context of the harmonized regulations and rules currently under consideration at the United Nations;

4. *Requests* that appropriate evaluations and audits of the activities during the pilot periods 2008 to 2012 and 2013 to 2014 be undertaken in order to provide information about the impact of these activities, particularly on the UNDP contribution to national capacity and policy development, and to learn from the experience gained; and further requests that the findings and recommendations be shared within UNDP and with the members of the United Nations Development Group;

5. *Requests* UNDP to provide a report, prior to the first regular session 2015 of the Executive Board, on the UNDP approach to assessing, prior to allocating funds, the full range of risks associated with the provision of direct budget support and pooled funding, and on the actions taken to continuously monitor and review those risks, with recommendations on the most appropriate approach to assessing the associated risks;

6. *Requests* UNDP to submit the evaluations and audits, as well as any refinement of the rules and regulations, for the consideration of the Executive Board at its first regular session 2015, in order for the Board to adopt a decision on continued UNDP engagement in direct budget support and pooled funding.

1 February 2013

2013/4
UNDP programming arrangements

The Executive Board

1. *Recalls* decision 2012/1 on the second review of the programming arrangements, 2008-2013, and decision 2012/28 on the programming arrangements, 2014-2017;

2. *Takes note of* the note on the programming arrangements dated 24 January 2013, presented informally at the first regular session 2013;

3. *Approves* the target for resource assignment from the core (TRAC)-2 resource facility, which continues to use non-formula based criteria, with organizational priorities and incentives built therein to enhance UNDP ability to effectively respond to differentiated country needs;

4. *Endorses* protection measures to shield resource allocations with respect to TRAC-1 and programme support to resident coordination activities from the impact of programming base levels potentially falling below $700 million;

5. *Takes note of* the rationale for including the United Nations Capital Development Fund (UNCDF) in the programming arrangements, and agrees to its inclusion in these arrangements;

6. *Further requests* UNDP to provide a comprehensive formal proposal at the annual session 2013 to include UNCDF in the programming arrangements, and that this proposal should, inter alia, include the implications such an inclusion would have on the core resources available for programming, especially the rationale for making it an annual recurring expenditure;

7. *Endorses* the principles of global strategic presence, and, as UNDP presence should be based on the differentiated development needs of countries and a no 'one-size-fits-all' approach in order to ensure efficient and effective response to national development priorities, agrees on the differentiated approach of physical presence, and requests UNDP to provide comprehensive information, in a formal report, on its implementation for the middle-income countries with gross national income per capita above $6,660;

8. *Endorses* the further rationalization of the lines in the programming arrangements framework, contained in the note on programming arrangements dated 24 January 2013, as follows:

(a) With respect to the programme activities cost classification category:

(i) a country window covering TRAC-1, TRAC-2, TRAC-3 and the Programme of Assistance to the Palestinian People;
(ii) a regional window covering regional programmes;
(iii) a global window covering the global programme, including the Office of Development Studies, and the Human Development Report Office;

(b) With respect to the development effectiveness cost classification category:

(i) South-South cooperation programme;
(ii) development support services;
(iii) economists' programme;
(iv) gender mainstreaming;
(v) policy advisory services;
(vi) United Nations Capital Development Fund

(c) With respect to the United Nations development coordination cost classification category:

(i) support to the resident coordinator;

9. *Requests* UNDP to provide, prior to the annual session 2013, more information on the performance of the functions financed under the following fixed lines: development support services, economists' programme, policy advisory services, as well as the Office of Development Studies, as a basis for considering the funding requirements for these functions;

10. *Requests* UNDP to present an informal draft budgetary proposal for the programming arrangements framework within the integrated budget, for consultation with the Executive Board at its annual session 2013, and for formal consideration at its second regular session 2013.

1 February 2013

2013/5
Thematic evaluation of UNFPA support to maternal health, 2000-2011, and the management response

The Executive Board

1. *Notes* the thematic evaluation of UNFPA support to maternal health, 2000-2011, and the management response to that evaluation;

2. *Recalls* decision 2012/26, and welcomes the presentation of the thematic evaluation, the presentation of the management response, and the subsequent discussion as an opportunity for the Executive Board to engage in evidence-based, strategic discussions, as well as an important step in promoting transparency and a culture of evaluation in UNFPA;

3. *Welcomes* the recognition, in the thematic evaluation, of the important contribution that UNFPA has made towards improving maternal health in many countries, for example, by guiding important policy changes and coordinating maternal health support, and by helping to develop capacity in areas such as midwifery, emergency obstetric and newborn care, family planning and fistula repair;

4. *Welcomes* the conclusions and findings of the thematic evaluation and notes that it raises a number of critical, strategic issues that require the continued attention and follow-up of management, including in the context of developing the UNFPA strategic plan, 2014-2017, such as the need to:

(a) strengthen medium-term to long-term strategic planning at the country level;
(b) better define the operational implications of targeting the needs of women and girls in the most vulnerable situations;
(c) improve staff and organizational capacity in maternal health, ensuring the proper mix of skills in the organization in order to maximize comparative strengths and reflect the strategic focus of UNFPA;
(d) strengthen results-based monitoring and evaluation at the country level and increase the focus on the generation of knowledge and learning;

5. *Welcomes* the efforts currently undertaken by UNFPA to enhance its work in maternal health and to address many of the issues identified in the thematic evaluation, and looks forward to continued, robust implementation of these initiatives;

6. *Notes* the importance of building, maintaining and continuously assessing partnerships with civil society, policymakers, national governments and other United Nations organizations, including the Health 4+ (the World Health Organization, UNFPA, UNICEF, the World Bank, the Joint United Nations Programme on HIV/AIDS and the United Nations Entity for Gender Equality and the Empowerment of Women), in order to address weaknesses in health systems and improve maternal health in the long term; and encourages UNFPA to continue to enhance its efforts in this key aspect of improving maternal health, including through joint programming;

7. *Further notes* the need to strengthen results-oriented monitoring, and encourages UNFPA to strengthen monitoring systems in its programmes, including by ensuring that the results frameworks for country programmes and thematic funds are fully aligned with the UNFPA results framework during the next strategic plan period, 2014-2017;

8. *Welcomes* the recognition, in the thematic evaluation, of the UNFPA Maternal Health Thematic Fund as a catalytic tool to facilitate evidence-based maternal health programming in priority countries, and encourages UNFPA to continue its work to better integrate the UNFPA Maternal Health Thematic Fund into its organizational structures and planning;

9. *Requests* UNFPA to fully take into account the recommendations of the thematic evaluation in its strategic and operational response, including in the context of the development of the next UNFPA strategic plan, and to include an update on the implementation of this decision in the annual report of the Executive Director for 2013, to be presented at the annual session 2014.

1 February 2013

2013/6
UNDP and UNFPA draft country programme documents for Egypt

The Executive Board

1. *Recalls* its decisions 2001/11 and 2006/36 on the programming approval process;

2. *Notes* the request by Egypt to present the UNDP and UNFPA draft country programme documents to the annual session 2013 of the Executive Board;

3. *Decides* to review and approve, on an exceptional basis, the UNDP and UNFPA draft country programme documents for Egypt at the annual session 2013 of the Executive Board.

1 February 2013

2013/7
Reports of UNDP, UNFPA and UNOPS on the implementation of the recommendations of the Board of Auditors, 2010-2011

The Executive Board

1. *Takes note of* the reports of UNDP (DP/2013/8), UNFPA (DP/FPA/2013/1) and UNOPS (DP/OPS/2013/1) on the implementation of the recommendations of the Board of Auditors for 2010-2011;

2. *Encourages* UNDP, in cooperation with UNFPA and other members of the United Nations Development Group, to take actions to ensure that the common guidelines for the harmonized approach to cash transfers are used systematically, including the revision of those guidelines, if necessary;

3. *Commends* UNDP, UNFPA and UNOPS for their efforts in implementing the international public sector accounting standards and looks forward to the continuation of this process;

With respect to UNDP:

4. *Notes* the unqualified audit opinion issued by the United Nations Board of Auditors;

5. *Welcomes* the progress made by UNDP in addressing audit-related priorities in 2010-2011;

6. *Supports* ongoing UNDP management efforts to address the revised top nine audit-related management priorities for the 2012-2013 biennium;

7. *Underlines* the need to improve project management and ensure satisfactory internal control at the country level, and encourages a more detailed account of these efforts, including the follow-up of fraud cases, in the UNDP report on internal audit and investigations, 2012;

With respect to UNFPA:

8. *Notes* the unqualified audit opinion issued by the United Nations Board of Auditors;

9. *Commends* the progress made by UNFPA in addressing audit-related priorities in 2010-2011, in particular with regard to cooperation with national partners;

10. *Welcomes* the further actions initiated by UNFPA in implementing the recommendations of the United Nations Board of Auditors for the 2010-2011 biennium, and looks forward to further progress in implementing the remaining 17 long-standing recommendations from the Report of the Board of Auditors, 2009, to ensure that all recommendations are acted upon as a matter of priority;

11. *Supports* ongoing UNFPA management efforts to address audit-related management priorities for the 2012-2013 biennium;

12. *Encourages* a more detailed account of the efforts to follow up fraud cases in the annual report on UNFPA internal audit and oversight activities, 2012;

13. *Encourages* UNFPA to intensify its efforts to fill vacancies and ensure an efficient recruitment process;

14. *Welcomes* the adoption of revised procurement policies and procedures by UNFPA, underlining the need to keep these processes under review to ensure continuing compliance by all business units;

With respect to UNOPS:

15. *Notes* the unqualified and unmodified audit opinion issued by the United Nations Board of Auditors for the biennium 2010-2011;

16. *Welcomes* the progress made by UNOPS in addressing audit-related priorities highlighted by the United Nations Board of Auditors;

17. *Supports* ongoing UNOPS management efforts to address the special challenges faced by UNOPS in transitioning from the United Nations system accounting standards to the international public sector accounting standards.

1 February 2013

2013/8
Report of the Administrator of UNDP and of the Executive Directors of UNFPA and UNOPS to the Economic and Social Council

The Executive Board

1. *Takes note of* the report of the Administrator of UNDP and of the Executive Directors of UNFPA and UNOPS to the Economic and Social Council (E/2013/5);

2. *Encourages* UNDP, UNFPA and UNOPS to continue to enhance reporting, taking into account the relevant guidance in General Assembly resolution 67/226 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system;

3. *Decides* to transmit the above-mentioned report to the Economic and Social Council, together with the comments and guidance provided by delegations.

1 February 2013

2013/9
Road map towards an integrated budget, beginning 2014, and update on cost recovery

The Executive Board

1. *Recalls* UNDP/UNFPA decision 2012/27 and United Nations Children's Fund (UNICEF) decision 2012/20, which requested further development of the harmonized conceptual framework and calculation methodology for cost-recovery rates, and also recalls the need to implement General Assembly resolution 67/226 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system, in particular chapter II, section D, on ensuring full cost recovery, proportionally from core and non-core funding sources, and providing incentives to increase core funding;

2. *Recognizes* that full cost recovery, proportionally from core and non-core resources, will lead to fewer resources being drawn from core resources to finance the management

costs of non-core contributions, and a larger share of core resources being allocated to programme activities, thereby providing incentives for core contributions;

3. *Approves* the harmonized methodology for calculating cost-recovery rates presented in document DP-FPA/2012/1-E/ICEF/2012/AB/L.6, which is further developed in the present document (DP-FPA/2013/1- E/ICEF/2013/8), and welcomes the increased transparency and proportionality in the new harmonized framework;

4. *Endorses* a general, harmonized cost-recovery rate of 8 per cent for non-core contributions that will be reviewed in 2016, with the possibility of increasing the rate if it is not consistent with the principle of full cost recovery, proportionally from core and non-core funding sources, as mandated by the quadrennial comprehensive policy review of operational activities for development of the United Nations system; and decides that the review of the cost-recovery rate will take place after the analysis and independent assessment of the reports mentioned in paragraphs 15 and 17, below;

5. *Underscores* that the principle of harmonized rates will also apply to differentiated cost-recovery rates, with the aim of promoting collaboration among United Nations organizations and avoiding competition in resource mobilization, and further endorses the following differentiated cost-recovery rate structure:

(a) a harmonized 1 per cent reduction for the thematic contributions at the global, regional and country level in UNDP, UNFPA and UNICEF (8 per cent - 1 per cent = 7 per cent), with the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) maintaining the 8 per cent as a temporary arrangement;

(b) maintaining the existing preferential rates for government cost-sharing, South-South contributions and private-sector contributions;

6. *Decides* that existing agreements will be honoured using the previous cost- recovery rates and that new or renewed agreements will comply with the present decision;

7. *Decides* that, on an exceptional basis and when the urgency of the circumstances requires, the Administrator of UNDP and the Executive Director of UNFPA may consider granting a waiver of the cost-recovery rates on a case-by-case basis, taking into account specific priorities, modalities that incur lower management costs, and harmonization goals, and that the Executive Board will be informed of these waivers in the annual financial reports;

8. *Decides* that the new cost-recovery methodology and related rates will be applied as of 1 January 2014;

9. *Notes* the guiding principles of the integrated budget contained in: (a) the joint note of UNDP, UNFPA and UNICEF on steps taken towards the integrated budget and the mock-up of the integrated budget, submitted at the second regular session 2012; and (b) the mock-up of the integrated resource plan, with a harmonized presentation of the cost-recovery amount, contained in table 6 of the present document (DP-FPA/2013/1-E/ICEF/2013/8);

10. *Reiterates* the need for regular consultations with the Executive Board on the UNDP and UNFPA integrated budgets, 2014-2017, and requests UNDP and UNFPA to present for review, their informal draft integrated budgets, including core and non-core resources, as a part of the discussion of their respective draft strategic plans, 2014-2017, at the annual session 2013;

11. *Requests* UNDP and UNFPA to provide fully transparent and consistent costing proposals that will enable contributors to understand those costs that are directly charged to programmes and projects, as well as the cost-recovery rate that is applied;

12. *Stresses* the need for increasingly efficient and transparent use of the cost-recovery resources, and requests that UNDP and UNFPA provide, in their annual financial reports to the Executive Board, the amounts received from cost recovery and the use thereof;

13. *Requests* UNDP and UNFPA to further pursue efficiency and cost effectiveness with a view to reducing management costs, in the effort to minimize the necessary cost-recovery rate, as mandated by the quadrennial comprehensive policy review of operational activities for development of the United Nations system, and to include information and analysis in this regard in the midterm review of their integrated budgets;

14. *Requests* UNDP and UNFPA to each prepare an integrated budget proposal, based on the above approved cost-recovery rates and the conceptual framework of the integrated budget;

15. *Requests* UNDP and UNFPA, in collaboration with UNICEF and UN-Women, to include in the midterm review of their integrated budgets, information on the implementation of the approved cost-recovery rates, including the approved underlying calculation methodology and the inclusion of each cost category; their actual cost-recovery rates for the two previous financial years; and an analysis of compliance with the principle of full cost recovery, funded proportionally from core and non-core resources, as mandated in General Assembly resolution 67/226;

16. *Further requests* UNDP and UNFPA, in the context of the midterm reviews of their integrated budgets, in collaboration with UNICEF and UN-Women, to recommend adjustments to the approved cost-recovery rates, as required, to be presented at the annual session 2016 of the Executive Board;

17. *Requests* that an independent and external assessment be performed in 2016 on the consistency and alignment of the new cost-recovery methodology with General Assembly resolution 67/226.

1 February 2013

2013/10
Overview of decisions adopted by the Executive Board at its first regular session 2013

The Executive Board

Recalls that during its first regular session 2013, it:

Item 1
Organizational matters

Elected the following members of the Bureau for 2013:

President: H.E. Mr. Roble Olhaye (Djibouti)
Vice-President: Mr. Andy Rachmianto (Indonesia)
Vice-President: Mr. Eduardo Porretti (Argentina)
Vice-President: Mr. Boyan Belev (Bulgaria)
Vice-President: Ms. Merete Dyrud (Norway)

Adopted the agenda and workplan for its first regular session 2013 (DP/2013/L.1).

Adopted the report of the second regular session 2012 (DP/2013/1).

Adopted the annual workplan for 2013 (DP/2013/CRP.1).

Approved the tentative workplan for the annual session 2013.

Agreed to the following schedule for the remaining sessions of the Executive Board in 2013:

Annual session 2013:	3 to 14 June 2013 (New York)
Second regular session 2013:	9 to 13 September 2013.

UNDP segment

Item 2
Gender in UNDP

Adopted decision 2013/1 on the oral report of the Administrator on the implementation of the UNDP gender equality strategy.

Item 3
Country programmes and related matters (UNDP)

Approved the following final country programme documents:

Africa: Cameroon, the Democratic Republic of the Congo, Equatorial Guinea, Eritrea, Liberia and South Africa

Asia and the Pacific: Myanmar, Nepal, Pakistan (common country programme) and the subregional programme for the Pacific Island Countries and Territories

Arab States: Libya, Sudan and the United Arab Emirates

Latin America and the Caribbean: Haiti and Nicaragua.

Adopted decision 2013/6 on the UNDP and UNFPA draft country programme documents for Egypt.

Item 4
Evaluation (UNDP)

Adopted decision 2013/2 on: (a) Evaluation of the UNDP contribution to poverty reduction, and the management response; and (b) Evaluation of UNDP support to conflict-affected countries in the context of United Nations peace operations, and the management response.

Item 5
Financial, budgetary and administrative matters (UNDP)

Adopted decision 2013/3 on the review of the UNDP engagement in direct budget support and pooled funding.

Item 6
Programming arrangements

Adopted decision 2013/4 on the UNDP programming arrangements.

UNFPA segment

Item 7
Evaluation (UNFPA)

Adopted decision 2013/5 on the thematic evaluation of UNFPA support to maternal health, 2000-2011, and the management response.

Heard a briefing on the draft revised UNFPA evaluation policy.

Item 8
Country programmes and related matters

Approved the following final country programme documents:

Africa: Cameroon, Democratic Republic of the Congo, Equatorial Guinea, Liberia and South Africa

Arab States: Sudan

Asia and the Pacific: Pakistan (common country programme)

Latin America and the Caribbean: Haiti and Nicaragua

Adopted decision 2013/6 on the UNDP and UNFPA draft country programme documents for Egypt.

UNOPS segment

Heard an update from the Executive Director, UNOPS.

Joint segment

Item 9
Recommendations of the Board of Auditors

Adopted decision 2013/7 on the reports of UNDP, UNFPA and UNOPS on the implementation of the recommendations of the Board of Auditors, 2010-2011.

Item 10
Report to the Economic and Social Council

Adopted decision 2013/8 on the report of the Administrator of UNDP and of the Executive Directors of UNFPA and UNOPS to the Economic and Social Council.

Item 11
Financial, budgetary and administrative matters

Adopted decision 2013/9 on the road map towards an integrated budget, beginning 2014, and update on cost recovery.

Item 12
United Nations Capital Development Fund

Heard a presentation on the preliminary 2012 results and an update on the stakeholder consultations on the future of UNCDF.

Joint meeting

Held a joint meeting of the Executive Boards of UNDP/UNFPA/UNOPS, UNICEF, UN-Women and WFP on 4 February 2013, which addressed the following topics: (a) operationalizing the recommendations of the quadrennial comprehensive policy review of operational activities for development of the United Nations system; and (b) leveraging South-South and triangular cooperation.

Also held the following briefings and informal consultations:

UNDP

Informal consultation on the preliminary findings of the evaluation of the UNDP strategic plan, 2008-2013;

Informal consultation on the road map leading to the UNDP strategic plan, 2014-2017;

Briefing on the UNCDF ongoing stakeholder consultation process mandated by the Executive Board (as per decision 2012/12);

UNFPA

Informal consultation on the UNFPA strategic plan, 2014-2017;

UNOPS

Informal consultation on the preparation of the UNOPS strategic plan for 2014-2017: discussion of key issues.

TENTATIVE WORKPLAN
EXECUTIVE BOARD OF UNDP, UNFPA and UNOPS
ANNUAL SESSION 2013
(3 - 14 June 2013, New York)

Day/Date	*Time*	*Item*	*Subject*
Monday, 3 June	10 a.m. – 1 p.m.	1	ORGANIZATIONAL MATTERS Ç Adoption of the agenda and workplan for the session Ç Adoption of the report of the first regular session 2013
			UNFPA SEGMENT STATEMENT BY THE EXECUTIVE DIRECTOR
		10	ANNUAL REPORT OF THE EXECUTIVE DIRECTOR • Report of the Executive Director: Cumulative report on implementation of the UNFPA strategic plan, 2008-2013 (decision 2011/39) • Statistical and financial review, 2012 • UNFPA report on the recommendations of the Joint Inspection Unit in 2012
	3 – 5 p.m.	10	ANNUAL REPORT OF THE EXECUTIVE DIRECTOR (cont'd)
			Informal consultation on the draft UNFPA strategic plan, 2014-2017
	5 – 6 p.m.		*Informal consultations on draft decisions*
Tuesday, 4 June	10 a.m. – 1 p.m.	11	FUNDING COMMITMENTS TO UNFPA Ç Report on contributions by Member States and others to UNFPA and revenue projections for 2013 and future years
		12	UNFPA COUNTRY PROGRAMMES AND RELATED MATTERS Ç Draft country programme documents and extensions of country programmes
	3 – 5 p.m.	13	EVALUATION Ç UNFPA revised evaluation policy (decision 2012/26)
	5 – 6 p.m.		*Informal consultations on draft decisions*
Wednesday, 5 June	10 a.m. – 1 p.m.		**JOINT SEGMENT**
		15	INTERNAL AUDIT AND OVERSIGHT • Reports of UNDP, UNFPA and UNOPS on internal audit and investigations, and management responses
		16	REPORTS OF THE ETHICS OFFICES OF UNDP, UNFPA AND UNOPS • Reports of the Ethics Offices of UNDP, UNFPA and UNOPS on activities for 2012, and management responses
	3 – 4 p.m.	17	FIELD VISITS • Reports on field visits
	4 – 6 p.m.		*Informal consultation on draft decisions*

Thursday, 6 June	10 a.m. – 1 p.m.	14	**UNOPS SEGMENT** STATEMENT BY THE EXECUTIVE DIRECTOR UNITED NATIONS OFFICE FOR PROJECT SERVICES Ç Annual report of the Executive Director Ç UNOPS strategic plan, 2014-2017
	3 – 5 p.m.		
	5 – 6 p.m.		*Informal consultations on draft decisions*
Friday, 7 June	10 a.m. – 1 p.m.		
	3 – 5 p.m.		
Monday, 10 June	10 a.m. – 1 p.m.	2	**UNDP SEGMENT** STATEMENT BY THE ADMINISTRATOR ANNUAL REPORT OF THE ADMINISTRATOR Ç Cumulative review of the strategic plan and annual report of the Administrator: performance and results for 2012 (decision 2011/14)
	3 – 5 p.m.	2 3	ANNUAL REPORT OF THE ADMINISTRATOR (cont'd) Ç UNDP report on the recommendations of the Joint Inspection Unit in 2012 Ç Statistical annex UNDP STRATEGIC PLAN, 2014-2017 Ç Draft strategic plan, 2014-2017 (decision 2012/9)
	5 – 6 p.m.		*Informal consultations on draft decisions*
Tuesday, 11 June	10 a.m. – 1 p.m.	4 5	FUNDING COMMITMENTS TO UNDP Ç Status of regular funding commitments to UNDP and its funds and programmes for 2013 and onwards HUMAN DEVELOPMENT REPORT • Update on Human Development Report consultations (GA resolution 57/264)
	3 - 6 p.m.	6	UNDP COUNTRY PROGRAMMES AND RELATED MATTERS Ç Report on global programme performance and results (decision 2011/18) Ç Draft country programme documents Ç Extensions of country programmes
Wednesday, 12 June	10 a.m. – 1 p.m.	7	EVALUATION Ç Annual report on evaluation and the management response Ç Evaluation of the UNDP strategic plan, 2008-2013, and the management response Ç Evaluation of the global programme and the management response Ç Evaluation of the regional programme for Africa and the management response Ç Evaluation of the regional programme for Arab States and the management response Ç Evaluation of the regional programme for Asia and the Pacific and the management response Ç Evaluation of the regional programme for Europe and the Commonwealth of Independent States and the management response Ç Evaluation of the regional programme for Latin America and the

			Caribbean and the management response Ç Evaluation of the fourth cooperation framework for South-South cooperation and the management response
	3 – 5 p.m.		EVALUATION (continued)
	5 – 6 p.m.		*Informal consultations on draft decisions*
Thursday, 13 June	10 a.m. – 1 p.m.	8	UNITED NATIONS CAPITAL DEVELOPMENT FUND Ç Report on results achieved by UNCDF in 2012
		9	UNITED NATIONS VOLUNTEERS • Report of the Administrator on the evolution of the role and function of UNV since its inception
	3 – 4 p.m.		*Informal consultations on draft decisions*
		18	OTHER MATTERS Ç Adoption of decisions
		1	ORGANIZATIONAL MATTERS Ç Adoption of the tentative workplan for the second regular session 2013 • Closing of the session
Friday, 14 June			